the success of the corporation. The case of a dummy director is within the above rule, and the principal case accords with the one decision exactly in point. *State ex rel. Rankin* v. *Leete*, 16 Nev. 242. But where the purpose of creating a dummy director is to perpetrate a fraud, his eligibility is not sustained. *Bartholomew* v. *Bentley*, 1 Oh. St. 37; *Frank and Kneeland* v. *Lewis Foundry & Machine Co.*, 24 Pitts. Leg. J. (Pa.) 33.

CORPORATIONS — STOCKHOLDERS: POWERS OF MAJORITY — EMPLOYMENT OF ATTORNEYS TO DEFEND SUIT BROUGHT BY MINORITY TO RESTRAIN ULTRA VIRES ACTION. — The majority stockholders of a religious corporation in good faith employed the plaintiffs as counsel to defend an action brought by the minority stockholders to restrain an alleged improper use of a corporate fund. The defense of the majority was unsuccessful. The plaintiffs sought to recover of the corporation compensation for their services. *Held*, that the corporation is liable. *Kanneberg* v. *Evangelical Creed Congregation*, 131 N. W. 353 (Wis.).

The decision in the principal case may be supported on two grounds. Either it was within the power of the corporation acting through a majority of its stockholders to make the contract; or it was an executed *ultra vires* contract to which it has no defense. But the case raises the question as to the ultimate liability of the corporation for attorneys' fees in litigation between the majority and the minority stockholders. Recovery from the corporation by the minority is conditioned upon success. They are clearly entitled to reimbursement if they succeed in restoring assets to the corporation. *Trustees* v. *Greenough*, 105 U. S. 527. Generally they may recover if they preserve assets by restraining an improper use of property. *Forrester & MacGinnis* v. *Boston, etc. Mining Co.*, 29 Mont. 397. *Contra*, *Alexander* v. *Atlanta, etc. R. Co.*, 113 Ga. 193. Where the majority stockholders and not the corporation are the real party in interest, they must account for corporation funds paid to attorneys. *Wickersham* v. *Crittenden*, 106 Cal. 329. And where they have not acted in good faith, their claims against the corporation for legal expenses will not be allowed. *M'Court* v. *Singers-Bigger*, 145 Fed. 103. But for mistakes of judgment honestly exercised, the corporation must suffer. See *Ellerman* v. *Chicago Junction Railways, etc. Co.*, 49 N. J. Eq. 217, 232. This rule should apply where, as in the present case, the majority in good faith defend unsuccessfully an action brought by the minority shareholders.

CORPORATIONS — STOCKHOLDERS: RIGHTS INCIDENT TO MEMBERSHIP — SUIT IN BEHALF OF CORPORATION BY ONE ACQUIRING STOCK AFTER WRONG. — The plaintiff, a stockholder of a corporation, brought an action to set aside as fraudulent a transfer of the stock of the corporation. He acquired the stock after the transaction was completed. *Held*, that the plaintiff may maintain the action. *Pollitz* v. *Gould*, 45 N. Y. L. J. 591 (N. Y., Ct. App., April, 1911).

In order to put an end to collusive transfers of stock for the purpose of getting into the federal courts, the Supreme Court has adopted a rule of procedure which requires a stockholder, who brings an action like the one in the main case, to prove that he owned stock when the alleged fraud was committed. SUP. CT. RULES OF PRACTICE, Rule 94, 104 U. S. ix. See *Hawes* v. *Oakland*, 104 U. S. 450. At least one state court has come to the same conclusion, arguing from general equitable principles. *Home Fire Ins. Co.* v. *Barber*, 67 Neb. 644. But the decision in the principal case adds to an increasing weight of authority, and is to be welcomed as supporting the better view. For a full discussion of the principles involved, see 21 HARV. L. REV. 195.

COVENANTS OF TITLE — COVENANT AGAINST INCUMBRANCES — EASEMENTS. — In an action for specific performance of an agreement to buy a piece of land, which the vendor had covenanted should be free from incumbrances,